



# House of Representatives

## File No. 754

General Assembly

February Session, 2014

**(Reprint of File No. 475)**

Substitute House Bill No. 5535  
As Amended by House Amendment  
Schedules "A" and "C"

Approved by the Legislative Commissioner  
May 3, 2014

### **AN ACT CONCERNING NOTICE OF A PATIENT'S OBSERVATION STATUS.**

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1       Section 1. (NEW) (*Effective October 1, 2014*) (a) Each hospital, as  
2       defined in section 19a-490 of the general statutes, shall provide oral  
3       and written notice to each patient that the hospital places in  
4       observation status of such placement not later than twenty-four hours  
5       after such placement, unless such patient has been discharged or has  
6       left the hospital prior to the expiration of the twenty-four-hour period.  
7       Such oral and written notices shall include: (1) A statement that the  
8       patient is not admitted to the hospital but is under observation status;  
9       (2) a statement that observation status may affect the patient's  
10      Medicare, Medicaid or private insurance coverage for (A) hospital  
11      services, including medications and pharmaceutical supplies, or (B)  
12      home or community-based care or care at a skilled nursing facility  
13      upon the patient's discharge; and (3) a recommendation that the  
14      patient contact his or her health insurance provider or the Office of the  
15      Healthcare Advocate to better understand the implications of  
16      placement in observation status.

17       (b) The written notice described in subsection (a) of this section shall  
18   be signed and dated by the patient receiving the notice or such  
19   patient's legal guardian, conservator or other authorized  
20   representative.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>October 1, 2014</i>	New section

The following Fiscal Impact Statement and Bill Analysis are prepared for the benefit of the members of the General Assembly, solely for purposes of information, summarization and explanation and do not represent the intent of the General Assembly or either chamber thereof for any purpose. In general, fiscal impacts are based upon a variety of informational sources, including the analyst's professional knowledge. Whenever applicable, agency data is consulted as part of the analysis, however final products do not necessarily reflect an assessment from any specific department.

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***OFA Fiscal Note***

***State Impact:*** None

***Municipal Impact:*** None

***Explanation***

The bill requires hospitals to provide additional notice to patients in certain situations. Although the John Dempsey Hospital at the University of Connecticut Health Center will have additional notification requirements due to the bill, these requirements will not result in a fiscal impact to the state.

House "A" eliminated a provision in the underlying bill concerning outpatient providers. It had no fiscal impact.

House "C" specified that the notification required in the underlying bill is not necessary if a patient is discharged prior to the expiration of the 24 hour period. It had no fiscal impact.

***The Out Years***

***State Impact:*** None

***Municipal Impact:*** None

**OLR Bill Analysis****sHB 5535 (as amended by House “A” and “C”)\******AN ACT CONCERNING NOTICE OF A PATIENT’S OBSERVATION STATUS AND NOTICE CONCERNING THE QUALIFICATIONS OF THOSE WHO PROVIDE HEALTH CARE AND COUNSELING SERVICES.*****SUMMARY:**

This bill generally requires hospitals to provide oral and written notice informing patients when the hospital has placed them in observation status, no later than 24 hours after the placement. The requirement does not apply if the patient was discharged or left the hospital prior to the end of that 24-hour period.

The bill specifies certain information that must be included with the notice and requires the patient or patient’s authorized representative to sign the written notice. In general, observation status refers to patients who are being treated in a hospital but are classified as outpatients rather than as being admitted to the hospital.

\*House Amendment “A” removes provisions requiring certain outpatient providers of health care or counseling services to provide written notice to their patients or clients, describing the services and their providers’ qualifications.

\*House Amendment “C” provides that the notice of observation status is not required if the patient is discharged or leaves the hospital before the end of the 24-hour period.

EFFECTIVE DATE: October 1, 2014

**NOTICE CONCERNING OBSERVATION STATUS IN HOSPITALS**

Under the bill, the required notices concerning a patient’s placement

in observation status must include:

1. a statement that the patient is not admitted to the hospital but is under observation status;
2. a statement that this status may affect coverage under Medicare, Medicaid, or private insurance for (a) hospital services, including medications and pharmaceutical supplies, or (b) home or community-based care or care at a skilled nursing facility, upon the patient's discharge; and
3. a recommendation that the patient contact his or her health insurance provider or the Office of the Healthcare Advocate to better understand the implications of being placed in observation status.

The bill requires the written notice to be signed and dated by the patient or his or her legal guardian, conservator, or other authorized representative.

### **COMMITTEE ACTION**

Public Health Committee

Joint Favorable Substitute

Yea    25    Nay   0    (03/25/2014)